



County Technical Assistance Service
INSTITUTE for PUBLIC SERVICE

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Chapter XII - Utility Districts

Dear Reader:

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We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with county government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other CTAS website material.

Sincerely,

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Chapter XII - Utility Districts

Drainage and Levee Districts

Reelfoot Levee District

Private Acts of 1981 Chapter 905

WHEREAS, by decree of the County Court of Lake County, Tennessee, presided over by the Chairman or Chairman pro tempore thereof, made on Feb. 16, 1920, and entered at pages 43 and 49 inclusive, of Levee and Drainage Record No. 1, being one of the minute books of said Court, an improvement district was organized and established under the name and style of the "Reelfoot Levee District of Lake and Obion Counties in the State of Tennessee," including within its boundaries certain lands in the Counties of Lake and Obion which are subject to and affected by the floods and overflows of the Mississippi River, and said boundaries being as hereinafter set out in detail, the said degree and proceedings being had under and pursuant to Chapter 185, Acts of the General Assembly of Tennessee of 1909, and subsequent Acts amendatory thereto, commonly referred to as the Levee and Drainage Law, governing the establishment of Levee and Drainage Districts for the reclamation of low, swamp and overflowed lands; and

WHEREAS, the various proceedings required by said Levee and Drainage Laws for the organization and establishment of such improvement districts, from the filing of the petition seeking the establishment of said district down to the point in such proceedings where assessments have been made and levied against the various tracts of land in the district to pay the cost and expense of the cause, and of the improvements sought to be constructed and ordered constructed therein, and down to the point where bonds are ready to be issued and sold; and all parties having an interest in said proceedings having been brought before the Court by notice, process or publication, and due notice having been given to all property owners and others interested in each of the steps in said proceedings as required by law, as shown by the record in said cause, entitled, "In Re Reelfoot Levee District," and as shown by the minutes of said County Court of Lake County, to which reference is hereby had for all purposes necessary or desired; and

WHEREAS, the said "Reelfoot Levee District" was established for the purpose of protecting the lands, and property, in said district, from the floods and overflows of the Mississippi River, by the construction of levees or dikes and by the enlargement and improvement of existing levees within said district, and particularly by the enlargement and improvement of so much of the Reelfoot Levee, or Hickman Slough Landing Levee, as lies south of the Kentucky-Tennessee State line, which portion of said levees was originally built by the County of Lake, and by said County transferred to said district for improvement and control; and

WHEREAS, the Mississippi River Commission, an agency of the Federal Government, by virtue of certain Acts of Congress including what is known as the Flood Control Act, is empowered to assist localities along the Mississippi River in constructing and enlarging levees, and has assisted said Levee District by paying two-thirds of the cost of work already done or under contract, and is authorized to further assist in building banquettes on, and enlarging said Reelfoot Levee, on condition, that said district contribute and pay for one-third the cost of said enlargement and improvement work, with the understanding that the amount furnished by the district will be paid over to said Mississippi River Commission and expended by the latter under contracts to be made by said River Commission; and

WHEREAS, it is probable, that further aid may be secured by cooperating with State and County agencies, such as the Highway Departments and the Department of Game, Fish and Forestry, in enlarging and improving the levee separating Reelfoot Lake from the washout and other levees; therefore,

SECTION 1. That the said "Reelfoot Levee District" through its Board of Directors and with the approval of the Chairman of the County Court of Lake County, which Court has jurisdiction in said matter, is hereby authorized and empowered to cooperate with said Federal, State and County agencies, for the construction and improvement of said levees referred to above, and is particularly authorized to make contracts with said Mississippi River Commission, or its representatives, for the construction, enlargement and strengthening of said Reelfoot Levee, or other improvements necessary for the protection and reclamation of the lands and property within said district, and to pay over to said River Commission, or other agencies such amounts as may be deemed necessary, or as may be required by law, or the regulations of said Mississippi River Commission, in order to secure the benefits of said Federal, or other funds; and all agreements heretofore made with said Mississippi River Commission for the recent construction of said improvements and enlargements, and banquettes, including contracts let and not

completed and all payments of money on account thereof to said River Commission by said district, or by individual property owners, in said district in contemplation of the formation of said district, are hereby ratified, confirmed and validated.

SECTION 2. That all funds heretofore advanced by Lake County, and by individuals or corporations who own land or property subject to assessment in said district in contemplation of the organization of said district, including preliminary expenses, cost of right-of-way, construction work and all moneys paid said Mississippi River Commission, shall be refunded to said contributors out of the proceeds of the sale of bonds, or said amounts so paid may be allowed as credits against any assessments made, or hereafter to be made, against the lands or property of said parties so making said advancements.

SECTION 3. That said Reelfoot Levee District, through its Board of Directors, and with the approval of the Chairman, or Chairman pro tempore, when acting in the place and stead of the Chairman of the County Court of Lake County, is hereby authorized to make contracts with the Highway authorities of the State and of Lake County, and with the State authorities having charge of Reelfoot Lake, and other State and County agencies, for the purpose of enlarging and improving the existing levee separating Reelfoot Lake from the washout, and, said district is authorized to expend so much of the funds of said district as may be deemed necessary to construct said levee, or other levees, to the grade and section required to prevent the floods of the Mississippi River from entering said Lake, or the Reelfoot Lake Basin, if the Directors and the Court deem it for the best interests of said district.

SECTION 4. That the various proceedings, orders and decrees made and had in the matter of Reelfoot Levee District, pending in said County Court of Lake County, including among other things, the order appointing a Civil Engineer, and action on his report, notices and publications, decrees of organization, order condemning land for levee right-of-way, the appointment of Commissioners to classify, and make assessments on the lands in said district for the purpose of defraying the costs, expenses, costs of construction, fees, damages, and other costs incident to said proceedings, the decree acting on the report of Commissioners and the levy of assessments, the appointment of Directors, the making of an assessment roll, as well as all other proceedings, orders and decrees had, and promulgated in said cause, as shown by the record in the cause and the minutes of said court as contained in the Levee and Drainage Record, Vol. 1, of said Court, up to the date of the passage of this bill, are in all things recognized as valid, and not subject to attack or impeachment either directly or collaterally, and if by inadvertence, there has been a noncompliance with the law in any of its details, or if there be any irregularities in any of said proceedings, the same are hereby waived, and the organization of said levee district and all orders prior to, or subsequent to the decrees of organization, are in all things validated.

SECTION 5. That the boundaries of said Reelfoot Levee District of Lake and Obion Counties, in the State of Tennessee, as set out in said decree of organization, and as therein and herein, and hereby located and established, are declared to be as followings, to-wit: Beginning at a point near the bank of the Mississippi River at a point in the Kentucky- Tennessee State line, 740 feet west of the center of the Reelfoot levee, sometimes referred to as the Hickman Slough Landing, or Government levee, on the west side of Reelfoot Lake, which point is called Hub-O: running thence southeastwardly and southwestwardly with a line parallel with said levee and running 740 feet west of the same, following the various angles in said levee as follows:

S. 9 degrees 15 minutes E. 210 feet to Hub No. 1; S. 42 degrees 15 minutes E. 1,510 feet to Hub No. 2; S. 11 degrees 30 minutes W. 505 feet to Hub No. 3; S. 14 degrees 0 minutes W. 600 feet to Hub No. 4; S. 23 degrees 50 minutes W. 300 feet to Hub No. 5; S. 13 degrees 50 minutes W. 1,000 feet to Hub No. 6; S. 2 degrees 20 minutes E. 300 feet to Hub No. 7; thence S. 1 degree 35 minutes E. 400 feet to Hub No. 8; S. 7 degrees 0 minutes W. 400 feet to Hub No. 9; S. 9 degrees 30 minutes W. 400 feet to Hub No. 10; S. 13 degrees 10 minutes W. 300 feet to Hub No. 11; S. 3 degrees 30 minutes W. 1,100 feet to Hub No. 12; S. 4 degrees 0 minutes W. 589 feet to Hub No. 13; S. 9 degrees 30 minutes W. 510 feet to Hub No. 14; S. 25 degrees 45 minutes W. 801 feet to Hub No. 15; S. 4 degrees 0 minutes E. 439 feet to Hub No. 16; S. 15 degrees 0 minutes W. 1,739 feet to Hub No. 17; S. 23 degrees 0 minutes W. 732 feet to Hub No. 18; S. 32 degrees 55 minutes W. 868 feet to Hub No. 19; S. 24 degrees 35 minutes W. 954 feet to Hub No. 20; S. 36 degrees 0 minutes W. 524 feet to Hub No. 21; S. 40 degrees 10 minutes W. 2,222 feet to Hub No. 22; S. 36 degrees 0 minutes W. 966 feet to Hub No. 23; S. 29 degrees 45 minutes W. 445 feet to Hub No. 24; S. 33 degrees 0 minutes W. 2,137 feet to Hub No. 25; S. 54 degrees 20 minutes W. 460 feet to Hub No. 26; S. 41 degrees 45 minutes W. 803 feet to Hub No. 27; S. 49 degrees 45 minutes W. 1,789 feet to Hub No. 28; thence east 740 feet to the center of said Reelfoot Levee, at mile post 0-2, Hub No. 28 1-2, being the southern terminus of said levee, east of Slough Landing; thence south 63 degrees 0 minutes W. 200 feet to Hub No. 29, S. 23 degrees 15 minutes W. 301 feet to Hub No. 30; S. 3 degrees 0 minutes E. 775 feet to Hub No. 31; S. 31 degrees 15 minutes W. 1,250 feet to Hub No. 32; S. 9 degrees 45 minutes W. 4,475 feet to Hub No. 33 in the center of the public road leading north from Proctor City; thence S. 10 degrees 30 minutes W. 2,037 feet to Hub No. 34; being the northwest corner of

the Proctor City School lot, where the road turns; thence S. with road 4 degrees 30 minutes E. 950 feet to Hub No. 35; thence south 48 degrees 45 minutes E. 3,000 feet to Hub No. 36 near Proctor City R. R. Station on the C. M. and G. R. R. thence S. 3 degrees 0 minutes E. 1,625 feet to Hub No. 37; thence S. 46 degrees 15 minutes W. 2,750 feet to Hub No. 38, just west of the N. W. point of Champey Pocket of Reelfoot Lake, thence running west of the shore of Reelfoot Lake S. 5 degrees E. 8,475 feet to Hub No. 39; thence S. 44 degrees 45 minutes E. 5,340 feet to Hub. No. 40; thence S. 18 degrees 30 minutes W. 3,150 feet to Hub No. 41; thence S. 87 degrees 15 minutes W. 1,900 feet to Hub No. 42, where the road turns at the S. E. corner of the Tennison Tract; thence N. 39 degrees 30 minutes W. 2,350 feet to Hub No. 43 at the intersection of roads at J. M. Sudberry's S. W. corner; thence N. 84 degrees 30 minutes W. 3,125 feet to Hub No. 44; thence S. 78 degrees 15 minutes W. 4,700 feet to Hub No. 45 in the Tipton-Wymburg Road; thence N. 77 degrees 15 minutes W. 4,500 feet to Hub No. 46, standing east of the bank of the chute of the Mississippi River on the land of Mrs. J. C. Jackson, thence S. 52 degrees 15 minutes W. 6,862 feet, running east of said chute, to Hub No. 47, thence S. 15 degrees 15 minutes W. 3,700 feet to Hub No. 48; thence S. 3 degrees 15 minutes E. with the Tiptonville-Ridgely Road, 6,775 feet to Hub No. 49; thence S. 2 degrees W. 4,500 feet, with the road to Hub No. 50, at the point where the road turns east; thence S. 88 degrees E. 750 feet to Hub No. 51, to another turn in said public road; thence south 2 degrees 30 minutes E. 2,300 feet to Hub No. 52, the point where the public road intersects the Bayou at Mooring; thence N. 88 degrees 45 minutes E. 1,725 feet to Hub No. 53; thence S. 38 degrees 15 minutes E. 2,500 feet to Hub No. 54; thence S. 15 degrees E. 1,600 feet to Hub No. 55; thence S. 47 degrees 30 minutes E. 800 feet to Hub No. 56; thence S. 4 degrees 30 minutes E. 5,050 feet running with the road, to Hub No. 57; thence N. 81 degrees 15 minutes E. 12,625 feet, partly with the Madie Road, to Hub No. 58; N. E. of Madie Church; thence S. 3 degrees 30 minutes E. 3,450 feet to Hub No. 59 being the S. E. corner of the Mrs. Bessie Moss, or Glascock Tract; thence S. 45 degrees W. 17,750 feet to Hub No. 60, in the west boundary line of the C. M. and G. R. R. right-of-way, and south of the Horn Ridge school and cemetery lot; thence S. 5 degrees 15 minutes E. with the west line of the C. M. and G. R. R. right-of-way 4,350 feet to Hub No. 61, near B. T. LeDuke's S. W. corner; thence S. 3 degrees 15 minutes E. with the west line of said right-of-way 3,925 feet to Hub No. 62; south of Tank No. 2; thence north 87 degrees 15 minutes E. and with the County line dividing Obion and Dyer County, 18,700 feet to Hub No. 63, the S. E. corner of the S. J. Bradshaw tract, in said County line; thence running east of the Schatters of Reelfoot Lake, and east of Reelfoot Lake, and west of the Bluffs of Obion County, as follows: North 2 degrees E. 4,875 feet to Hub No. 64; in the center of the road; thence N. 6 degrees E. 5,755 feet to Hub No. 65; thence N. 27 degrees 45 minutes E. 2,275 feet to Hub No. 66; thence N. 4 degrees E. 5,525 feet to Hub No. 67; thence N. 31 degrees 30 minutes E. 3,812 feet to Hub No. 68; thence N. 17 degrees E. 12,350 feet to Hub 69; thence N. 22 degrees 15 minutes E. 8,575 feet to Hub No. 70; thence N. 44 degrees 45 minutes E. 2,150 feet to Hub No. 71 in the center of the Free Bridge Road, and west of Webb's store; thence N. 12 degrees E. 4,300 feet to Hub No. 72; thence N. 3 degrees 30 minutes E. 3,150 feet to Hub No. 73; thence N. 20 degrees 30 minutes E. 6,600 feet to Hub No. 74; thence N. 36 degrees E. 6,900 feet to Hub No. 75; thence N. 26 degrees E. 8,150 feet to Hub No. 76; thence No. 37 degrees about 4,200 feet across the lands of Taylor, Fitenbutts and Ransom, to Hub No. 77; thence N. 16 degrees 15 minutes E. 14,650 feet to Hub No. 78; thence N. 11 degrees W. 4,400 feet to Hub No. 79; thence N. 15 degrees E. 16,000 feet to the State line dividing Tennessee and Kentucky; thence in a westerly direction, along said State line, about 36,000 feet to Hub No. 0., the point of beginning. The foregoing description is intended to be identical with that in the decree of organization, recorded at pages 43-49 of said Levee and Drainage Record, and if there be any differences, the text of said decree shall govern.

SECTION 6. That the territory included within the boundaries set out in the foregoing section is hereby organized and established into an improvement district under the name and style of Reelfoot Levee District of the Counties of Lake and Obion in the State of Tennessee, and is hereby vested with all the power, authority and jurisdiction which is conferred upon levee and drainage districts under and by the terms of said Chapter 185, Acts of 1909 and Acts amendatory thereto, and said district is authorized to provide funds by the sale of bonds, or other legal ways and means, and therewith to construct levees for the protections of said district, and particularly to construct, enlarge and improve said Reelfoot Levee, whether Government aid, or aid from said Mississippi River is available or not.

SECTION 7. That the Board of Directors of said district, consisting of A. E. Markham and W. L. Willingham heretofore chosen by the County Court of Lake County and J. R. Lambert, member ex-officio, and their successors in office, are hereby constituted and recognized as the Board of Directors of said district, and they are vested with the general control and management of the business affairs of said district, and supervision of the same, including the power and authority to make contracts, to borrow money, to fix the time and terms of payment of bonds and other details concerning same, and to do, and perform, all the duties required of them, and as provided by said Chapter 185, Acts of 1909, and subsequent amendatory Acts, and if, at any time the Chairman of said Court and ex-officio member of said Board, is absent, or unable for any reason to act, either as Chairman, or as a member of said Board, the Chairman pro

tempore is hereby authorized to act in his place and stead in all matters requiring attention, either in the capacity of presiding officer of said Court or as a member of said Board of Directors, and as Chairman of the same.

SECTION 8. That all laws and parts of laws in conflict with this Act be, and the same are, hereby repealed and that this Act take effect from and after its passage, the public welfare requiring it.

Passed: April 5, 1921.

Reelfoot Lake Regional Utility and Planning District

Public Acts of 1983 Chapter 222

COMPILER'S NOTE: The following act is a public act of special application and is not codified in Tennessee Code Annotated.

SECTION 1. Creation -- Purpose. -- (a) There is hereby created the Reelfoot Lake Regional Utility and Planning District in the counties of Lake and Obion.

(b) This District is intended to secure economic benefits to the above counties and to the cities of Tiptonville and Samburg by providing for sewer and other utilities in the District and by providing for a District with powers for planning and other related activities to preserve Reelfoot Lake.

(c) The boundaries of the District are as follows:

An area comprising the central portion of Lake County and the west central portion of Obion County including the municipalities of Tiptonville and Samburg. The area being more specifically as shown on the illustration below and approximately described as follows: Beginning at point "A" (36 degrees 23' 28" Lat., 89 degrees 31' 07" Long.) on the east levee of the Mississippi River; thence in a southern direction along the river levee to point "B" (36 degrees 21' 24" Lat., 89 degrees 31' 21" Long.); thence easterly to point "C" (36 degrees 21' 15" Lat., 89 degrees 22' 16" Long.); thence northeasterly to point "D" (36 degrees 23' 53" Lat., 89 degrees 18' 50" Long.); thence northwesterly to an east bank of Reelfoot Lake at point "E" (36 degrees 24' 33" Lat., 89 degrees 20' 03" Long.); thence in a southwest direction following the southern shore of Reelfoot Lake to point "F" (36 degrees 24' 40" Lat., 89 degrees 26' 36" Long.) thence to the point of beginning.

SECTION 2. Effective date -- This Act shall take effect upon becoming law, the public welfare requiring it.

SECTION 3. General Implementing Powers. -- The District created pursuant to the provisions of this chapter shall be vested with all the powers necessary and requisite for the accomplishment of the purpose for which such District is created, capable of being delegated by the legislature. No enumeration of particular powers herein created shall be construed to impair or limit any general grant or power herein contained. This district is empowered to do all acts necessary, proper or convenient in the exercise of the powers granted herein.

SECTION 4. Exemption From State Regulation -- Neither the public service commission nor any other board of commission of like character hereafter created shall have jurisdiction over the District in the management and control of any system, including the regulation of its rates, fees, tolls or charges.

SECTION 5. Powers in Carrying Out Purposes -- Services By Cities Or Towns. -- (a) The District created pursuant to this chapter shall have the power

- (1) To sue and be sued;
- (2) To have a seal;
- (3) To acquire by purchase, gift, devise, lease or exercise of the power of eminent domain or other mode of acquisition, hold and dispose of real and personal property of every kind within or without the District, whether or not subject to mortgage or any other liens;
- (4) To make and enter into contracts, conveyances, mortgages, deeds of trust, bonds or leases;
- (5) To incur debts, to borrow money, to issue negotiable bonds and to provide for the rights of holders thereof;
- (6) To fix, maintain, collect and revise rates and charges for any service;
- (7) To pledge all or any part of its revenues;
- (8) To make such covenants in connection with the issuance of bonds, or to secure the payment of bonds, that a private business corporation can make under the general laws of the state, notwithstanding that such covenants may operate as limitations on the exercise of any power

granted by this chapter;

(9) To use any right-of-way, easement or other similar property right necessary or convenient in connection with the acquisition, improvement, operation or maintenance of a utility, held by the state or any political subdivision thereof, provided that the governing body of such political subdivision shall consent to such use;

(10) To apply for or accept grants, loans or other financial assistance from any federal, state, county or municipal agency in aid of the acquisition, planning, development, management or operation of the lands, improvement to lands, or facilities provided for herein;

(11) To enter upon any lands and premises for the purpose of making surveys, soundings, and examination in connection with the acquisition, improvement, operation, or maintenance of any of the facilities of the District; provided, however, the District shall be liable for any damages caused thereby.

(b) The powers of the District shall be vested in and exercised by a majority of the members of the board of directors of the District.

(c) The District is empowered to conduct, operate and maintain a system, or systems, for the furnishing of water, sewer, sewage disposal, natural gas, natural gas storage and related activities, liquefied natural gas storage and related activities, liquid propane gas storage and related activities and other gaseous storage and related facilities, artificial gas, garbage collection and garbage disposal, street lighting, parks and recreational facilities.

(d) Incorporated cities and towns within the District or within five miles of the District boundary shall lose their right to provide the utilities under the following conditions:

(1) Where an agreement cannot be reached, the Utility District, by a resolution setting out the area to be served and the type of utility, shall notify the city or town of its intention to serve the area;

(2) After receipt of such notice, the city or town shall have sixty (60) days in which to adopt an appropriate ordinance or resolution determining to serve the area within a specified time; the Utility District may within ten (10) days appeal to the county executive of the county in which the major part of the land area is located if it considers the time so determined is too long, whereupon the county executive after hearing both parties shall determine a reasonable time for the city or town to provide the services, and further appeal may be taken by either party to the Chancery Court of the county affected.

(3) Upon failure of the city or town to provide the services within the time so determined, or to adopt an ordinance or resolution within the 60-day period, the Utility District shall be authorized to serve any part of the area not already served by the city or town.

(e) The District shall have powers for zoning and planning, land use control, situation and drainage control and lake management control within the District but subject to the provisions of paragraph (f).

(f) Where the powers expressed in paragraph (e) have been delegated to another governmental entity, the District shall exercise these powers only with the consent of such governmental entity. The District, by resolution setting out the powers to be exercised under paragraph (e), shall notify the appropriate governmental entity of its intention to exercise such power, and after receipt of such notice, such governmental entity shall consent or object to the exercise of same by the District, and if no action is taken within one hundred twenty (120) days from the receipt of such notice, there shall be a conclusive presumption that such governmental entity consented to the exercise of such power by the District.

SECTION 6. Contracts. -- All contracts of the District shall be entered into and executed in such manner as may be prescribed by statutes, regulations and procedures governing contracting by county governments; but no contract or acquisition by purchase of equipment, apparatus, materials or supplies involving more than five hundred dollars (\$500), or for construction, installation, repair or improvement of the property or facilities involving more than five hundred dollars (\$500) shall be made except after such contract has been advertised for bids, provided that advertisement shall not be required when an emergency arises and requires immediate delivery of the supplies or performance of the service.

SECTION 7. Eminent Domain. -- The District is hereby authorized and empowered to condemn, in the name of the District, any land, easements, or rights-of-way in the boundaries of the District that, in the opinion of the board of directors, are necessary or convenient to carry out the purposes of this Act provided that the condemnation of such property shall first be approved by the legislative body of the county wherein such property is located. Title to property so condemned shall be taken by and in the name of the District, and the property shall thereafter be entrusted to the District for the purposes of this part. Such condemnation proceedings shall be in accordance with Chapters 16 and 17 of title 29 of the Public Acts of Tennessee. Provided, however, that where title to any property sought to be condemned is

defective, it shall be passed by the judgment or decree of the court. Provided, further, that where condemnation proceedings become necessary, the court in which any such proceedings are filed shall, upon application by the District, and upon posting of a bond with the clerk of the court in such amount as the court may deem commensurate with the value of the property, order that a writ of possession shall issue immediately, or as soon and upon such terms as the court, in its discretion, may deem proper and just.

SECTION 8. Funds and Funding. -- (a) Except as herein otherwise expressly provided, all bonds issued by the District shall be payable solely out of the revenues and receipts derived from the District's projects or of any thereof as may be designated in the proceedings of the board of directors under which the bonds shall be authorized to be issued, including debt obligations of the lessee or contracting party obtained from or in connection with the financing of a project; provided, that notes issued in anticipation of the issuance of bonds may be retired out of the proceeds of such bonds. Such bonds may be executed and delivered by the District at any time and from time to time may be in such form and denominations and of such terms and maturities, may be in registered form or in bearer form subject to registration as to principal or interest or both, may be payable in such installments and at such time or times not exceeding forty (40) years from the date thereof, may be payable at such place or places whether within or without the state of Tennessee, may bear interest at such rate or rates payable at such time or times and at such place or places and evidenced in such manner, may be executed by such officers of the District and may contain such provisions not inconsistent herewith, all as shall be provided in the proceedings of the board of directors whereunder the bonds shall be authorized to be issued. If deemed advisable by the board of directors, there may be retained in the proceedings under which any bonds of the District are authorized to be issued an option to redeem all or any part thereof as may be specified in such proceedings, at such price or prices and after such notice or notices and on such terms and conditions as may be set forth in such proceedings and as may be briefly recited in the face of the bonds, but nothing herein contained shall be construed to confer on the District any right or option to redeem any bonds except as may be provided in the proceedings under which they shall be issued. Any bonds of the District may be sold at public or private sale in such manner, at such price and from time to time as may be determined by the board of directors of the District to be most advantageous, and the District may pay all expenses, premiums and commissions which its board of directors may deem necessary or advantageous in connection with the issuance thereof. Issuance by the District of one or more series of bonds for one or more purposes shall not preclude it from issuing other bonds in connection with the same project or any other project, but the proceedings whereunder any subsequent bonds may be issued shall recognize and protect any prior pledge or mortgage made for any prior issue of bonds. Proceeds of bonds issued by the District may be used for the purpose of constructing, acquiring, reconstructing, improving, equipping, furnishing, bettering, or extending any project or projects, including the payment of interest on the bonds during construction of any such project and for two (2) years after the estimated date of completion, and payment of engineering, fiscal, architectural and legal expenses incurred in connection with such project and the issuance of the bonds, and the establishment of a reasonable reserve fund for the payment of principal of and interest on such bonds in the event of a deficiency in the revenues and receipts available for such payment.

(b) Any bonds or notes of the District at any time outstanding may at any time and from time to time be refunded by the District by the issuance of its refunding bonds in such amount at the board of directors may deem necessary, but not exceeding the sum of the following:

- (1) The principal amount of the obligations being refinanced;
- (2) Applicable redemption premiums thereon;
- (3) Unpaid interest on such obligations to the date of delivery or exchange of the refunding bonds;
- (4) In the event the proceeds from the sale of the refunding bonds are to be deposited in trust as hereinafter provided, interest to accrue on such obligations from the date of delivery to the first or any subsequent available redemption date or dates selected, in its discretion, by the board of directors, or to the date or dates of maturity, whichever shall be determined by the board of directors to be most advantageous or necessary to the District;
- (5) A reasonable reserve for the payment of principal of and interest on such bonds and/or a renewal and replacement reserve;
- (6) If the project to be constructed from the proceeds of the obligations being refinanced has not been completed, an amount sufficient to meet the interest charges on the refunding bonds during the construction of such project and for two (2) years after the estimated date of completion (but only to the extent that interest charges have not been capitalized from the proceeds of the obligations being refinanced); and

(7) Expenses, premiums and commissions of the District, including bonds discount, deemed by the board of directors to be necessary for the issuance of the refunding bonds. A determination by the board of directors that any refinancing is advantageous or necessary to the District, or that any of the amounts provided in the preceding sentence should be included in such refinancing, or that any of the obligations to be refinanced should be called for redemption on the first or any subsequent available redemption date permitted to remain outstanding until their respective dates of maturity, shall be conclusive.

(c) Any such refunding may be effected whether the obligations to be refunded shall have then matured or shall thereafter mature, either by the exchange of the refunding bonds for the obligations to be refunded thereby with the consent of the holders of the obligations so to be refunded, or by sale of the refunding bonds and the application of the proceeds thereof to the payment of the obligations to be refunded thereby, and regardless of whether or not the obligations proposed to be refunded shall be payable on the same date or different dates or shall be due serially or otherwise.

(d) Prior to the issuance of the refunding bonds, the board of directors shall cause notice of its intention to issue the refunding bonds, identifying the obligations proposed to be refunded and setting forth the estimated date of delivery of the refunding bonds, to be given to the holders of the outstanding obligations by publication of an appropriate notice one (1) time each in a newspaper having general circulation in the area and in a financial newspaper published in New York, New York, and having national circulation. As soon as practicable after the delivery of the refunding bonds, and whether or not any of the obligations to be refunded are to be called for redemption, the board of directors shall cause notice of the issuance of the refunding bonds to be given in the manner provided in the preceding sentence.

(e) If any of the obligations to be refunded are to be called for redemption the board of directors shall cause notice of redemption to be given in the manner required by the proceedings authorizing such outstanding obligations.

(f) The principal proceeds from the sale of any refunding bonds shall be applied only as follows: either,

(1) To the immediate payment and retirement of the obligations being refunded;

or

(2) To the extent not required for the immediate payment of the obligations being refunded then such proceeds shall be deposited in trust to provide for the payment and retirement of the obligations being refunded, and to pay any expenses incurred in connection with such refunding, but provision may be made for the pledging and disposition of any surplus, including without limitation, provision for the pledging of any such surplus to the payment of the principal of and interest on any issue or series of refunding bonds. Money in any such trust fund may be invested in direct obligations of, or obligations the principal of and interest on which are guaranteed by the United States government, or obligations of any District or instrumentality of the United States government, or in certificates of deposit issued by a bank or trust company located in the state of Tennessee if such certificates shall be secured by a pledge of any of said obligations having any aggregate market value, exclusive of accrued interest, equal at least to the principal amount of the certificates so secured. Nothing herein shall be construed as a limitation on the duration of any deposit in trust for the retirement of obligations being refunded but which shall not have matured and which shall not be presently redeemable or, if presently redeemable, shall not have been called for redemption.

(g) All such bonds, refunding bonds and the interest coupons, if any, applicable thereto are hereby made and shall be construed to be negotiable instruments.

(h) The principal of and interest on any bonds issued by the District shall be secured by a pledge of the revenues and receipts out of which the same shall be made payable, and may be secured by a mortgage or deed of trust covering all or any part of the projects from which the revenues or receipts so pledged may be derived, including any enlargements of and additions to any such projects thereafter made, and/or by an assignment and pledge of all or any part of the District's interest in and rights under the leases, sale contracts or loan agreements relating to such projects, or any thereof. The resolution under which the bonds are authorized to be issued and any such mortgage or deed of trust may contain any agreements and provisions respecting the maintenance of the projects covered thereby, the fixing and collection of rents or payments with respect to any projects or portions thereof covered by such resolution, mortgage or deed of trust, the creation and maintenance of special funds from such revenues and from the proceeds of such bonds, and the rights and remedies available in the event of default, all as the board of directors shall deem advisable not in conflict with the provisions hereof. Each pledge, agreement, mortgage and deed of trust made for the benefit or security of any of the bonds of the District shall continue effective until the principal of and interest on the bonds for the benefit of which the same were made shall have

been fully paid. In the event of default in such payment or in any agreements of the District made as a part of the contract under which the bonds were issued, whether contained in the proceedings authorizing the bonds or in any mortgage and deed of trust executed as security therefor, such payment or agreement may be enforced by suit, mandamus, the appointment of a receiver in equity, or by foreclosure of any such mortgage and deed of trust, or any one or more of said remedies.

(i) No bond authorized herein may be issued until the financial information provided for in T.C.A. 7-82-501(b) is submitted to the State Director of Local Finance and the provisions of said paragraph are complied with.

SECTION 9. Rates Sufficient To Pay Costs And Retire Bonds. -- The board of directors shall prescribe and collect reasonable rates, fees, tolls, or charges for the services, facilities and commodities of its system or systems, shall prescribe penalties for the nonpayment thereof, and shall revise such rates, fees, tolls or charges from time to time whenever necessary to insure that such system or systems shall be and always remain self-supporting. The rates, fees, tolls or charges prescribed shall be such as will always produce revenue at least sufficient:

- (1) To provide for all expenses of operation and maintenance of the system or systems, including reserves therefor; and
- (2) To pay when due all bonds and interest thereon for the payment of which such revenues are or shall have been pledged, charged or otherwise encumbered, including reserves therefor.

SECTION 10. Annual Audit -- Publication of Water And Sewer Rates And Annual Financial Statement. --

(a) The directors of the Utility District shall cause an annual audit to be made of the books and records of their District. The comptroller of the treasury, through the department of audit, shall be responsible for determining that such audits are prepared in accordance with generally accepted governmental auditing standards and that such audits meet the minimum standards prescribed by the comptroller. The comptroller shall promulgate such rules and regulations as are required to assure that the books and records are kept in accordance with generally accepted accounting procedures and that audit standards prescribed by the comptroller are met.

(b) Said audits shall be prepared by certified public accountants, public accountants or by the department of audit. In the event the board of directors of the District shall fail or refuse to have said audit prepared, then the comptroller may appoint a certified public accountant, or public accountant or direct the department of audit to prepare said audit, the cost of such audit to be paid by the Utility District. (c) Within ninety (90) days after the close of the fiscal year of the District, the directors of the District shall publish in a newspaper of general circulation, published in the counties in which the District is situated, a statement showing:

- (1) The financial condition of the District at the end of the fiscal year;
- (2) The earnings of the District during that fiscal year just ended;
- (3) A statement of the rates then being charged by the District, and a brief statement of the method used in arriving at such rates.

(d) A copy of such annual statement and audit shall be filed with the county executives of Lake and Obion Counties, and a copy forwarded to the office of the comptroller of the treasury of the state of Tennessee. The failure to file such copies shall be a misdemeanor.

SECTION 11. Protest Of Rates -- Adjustment Of Complaints. -- (a) Within thirty (30) days of the date on which this statement is published, any water or sewer user of the District may file with the directors of the District a protest, giving reasons why, in the opinion of the water or sewer user, the rates so published are too high or too low. Within a period of fifteen (15) days after the end of this thirty (30) day period during which such protest may be filed, the directors shall notify each protestant of a hearing to be held by the directors on such protests as may have been filed within the thirty (30) day period prescribed. Upon the hearing date so fixed, which shall be some date within a period of sixty (60) days after giving such notices to the protestants, all such protests shall be heard together by the directors. After hearing and examining statements, exhibits and arguments of the protestants or their counsel the directors shall make and spread upon the minutes of the board their finding as to the reasonableness or unreasonableness of the published rates, and at the same time the board may increase or decrease such rates upon a finding that they are too low or too high, as the case may be.

The directors shall not be required to receive, consider or act upon any protest filed at any time other than within the thirty (30) day period provided in this section. Any protestant feeling himself aggrieved by the final action of the directors under this section may obtain a review of the directors' action in the Chancery Court of Lake or Obion County through the common law writ of certiorari.

(b) It shall be the duty of the board of directors of the District to have and maintain a set of rules and

regulations regarding the adjustment of all complaints which may be made to the District concerning the availability of utility services to persons in need thereof, the quality of service performed, the adjustment of bills, and all other complaints of any nature, with provision as to the manner of resolution of individual complaints, provision as to the types of complaints which may be resolved by salaried employees of the District, and those which may be resolved only by the board of directors. Such rules shall be posted or otherwise available for convenient inspection by customers and members of the public in the offices of the District, they shall provide for the office employees or other employees of the District to schedule for consideration by the board of directors any complaint of such nature as may be decided by the board under its rules and regulations, and also to schedule for consideration by the board of directors, the review of any complaint which shall not have been settled to the satisfaction of the customer or citizen by a salaried employee to whom the settlement of such complaint shall have been delegated.

SECTION 12. Planning Development. -- (a) The District shall develop a comprehensive development plan for the economic growth and residential, recreational, commercial and industrial development of Reel- foot Lake.

(b) In making such investigations necessary to the development of the comprehensive development plan and in formulating the comprehensive development plan, the District shall seek the assistance of federal, state and local agencies, and of private citizens and citizen organizations interested in the conservation and development of the resources of the area.

(c) The District may enter into contracts with municipalities, other public agencies or political subdivisions of any kind, corporations, public or private, or with others, for the construction of facilities, utilities, or for the provision of services within or in conjunction with development within the development lands, that the District determines are required for the development of the development lands or for the operation or management of such facilities.

(d) The District may develop, or provide for the development of, the development lands for recreational, residential, commercial and industrial purposes or for any other purpose consistent with this Act, and may provide for the development, management or operation of the development lands or facilities within such lands for these purposes, directly or by contractors, licensees, concessionaires, lessees or vendees.

(e) The District may sell or lease any development lands, or interests therein, for uses consistent with the District's development plan, for such consideration and on such terms as the District deems appropriate and necessary to effectuate the comprehensive development plan, and subject to such restrictions as the District deems necessary for the protection of the economic and environmental values within the area, including requirements related to: (1) the character or design of improvements and activities which may be undertaken on the development lands; (2) the time within which such improvements or activities shall be undertaken; and (3) the areas or places within such lands where such activities shall be undertaken.

(f) The District may acquire, construct or operate such facilities or other works of improvement, or may undertake such site development activities, as are necessary or convenient to effectuate its plans for the comprehensive development of the area.

(g) The District may enter into contracts with any city, county, municipal or other supplier of utilities, for the abandonment, relocation, reconstruction, maintenance or other adjustment of roads, highways, bridges, utility lines or other facilities in, on, over or across the development lands or such areas adjacent thereto as may be necessary or convenient to carry out the purposes of this Act.

(h) The District may acquire, construct, operate and maintain such public roads in, on, over or across the development lands or such areas adjacent thereto as may be necessary or convenient to carry out the purposes of this Act.

SECTION 13. Contributions By Counties. -- The counties represented on the board of directors are hereby authorized and empowered:

(1) To contribute to the public works of the District any amount or amounts of money that their respective governing bodies, acting in their sole discretion, shall approve to be paid from the general fund of the respective county. The county legislative bodies shall be empowered to levy and collect ad valorem taxes for such purposes, which are hereby declared to be for county public purposes.

(2) To issue their bonds as provided in Tennessee Code Annotated, Sections 5-11-101 through 5-11-125, to obtain funds for the financing of public works by the District, or to secure advances made to the District for the construction of public works pursuant to cooperative agreements with the District.

SECTION 14. Exemption From Taxation. -- So long as the District shall own any system, the property and revenue of such system shall be exempt from all state, county and municipal taxation. Bonds issued

pursuant to this chapter and the income therefrom shall be exempt from all state, county and municipal taxation, except inheritance, transfer and estate taxes, and it shall be so stated on the face of said bonds.

SECTION 15. Board of Directors -- Appointment -- Vacancies -- Eligibility. -- (a) Membership of the board of directors shall consist of one member each appointed by the governing bodies of Lake and Obion Counties and of the cities of Tiptonville and Samburg and a fifth director to be appointed by them their directors. The fifth director may not hold office for more than one term unless he receives at least three votes from the other directors. In addition, the county executives of Lake and Obion Counties shall serve as ex officio members of the board. (b) The terms of office for the board of directors shall be for four years for each director except for the initial term of office which shall be as follows:

- (1) The director appointed by the town of Tiptonville, and the director appointed by the other members of the board of directors, shall serve an initial term of one year;
- (2) The director appointed by the town of Samburg shall serve an initial term of two years;
- (3) The director appointed by the county of Obion shall serve an initial term of three years; and
- (4) The director appointed by the county of Lake shall serve an initial term of four years.

(c) In the event of failure to elect a successor to any member of the board, the member whose term has expired shall continue to serve until his successor has been duly elected as herein provided.

In the event of the death or resignation of a member of the board, or his inability to serve prior to the expiration of his term, his successor shall be appointed for the unexpired term by the body who appointed him.

(d) Any person at least twenty-five (25) years of age who has resided in Lake or Obion County for a period of at least one year immediately preceding his election, shall be eligible to serve as a member of the board of directors of the District. Any director who ceases to regularly reside within Lake or Obion County shall automatically become ineligible to serve in said office.

SECTION 16. Compensation of Directors -- Delegation Of Powers -- Officers -- Records. -- (a) The members of the board, except as provided in subsection (b), shall serve without compensation for their services, but shall be entitled to reimbursement for all expenses incurred in connection with the performance of their duties. The board may delegate to one or more of its members or to its agents and employees such powers and duties as it may deem proper, but at its first meeting and at the first meeting of each calendar year thereafter it shall elect one (1) of its members to serve as chairman, and another of its members as secretary of the board. The secretary shall keep a record of all proceedings of the board which shall be available for inspection as other public records, and shall be custodian of all official records of the District.

(b) The members of the board of directors shall be entitled to receive compensation for their services for each days' attendance of the meetings of said board and the performance of their official duties in an amount not to exceed the compensation paid to members of the Legislative Body of Lake County, Tennessee, for attending meetings of the County Legislative Body. The amount of compensation shall be fixed by the board of directors, but the same shall not exceed the amount provided for above, nor shall the amount of compensation paid to each of the directors exceed One Thousand Dollars (\$1,000.00) per annum.

SECTION 17. Powers of Directors. -- (a) The board of directors of the District shall have power and authority:

- (1) To exercise by vote, ordinance or resolution all of the general and specific powers of the District;
- (2) To make all needful rules, regulations and by-laws for the management and the conduct of the affairs of the District and of the board;
- (3) To adopt a seal for the District, prescribe the style thereof, and alter the same at pleasure;
- (4) To lease, purchase, sell, convey and mortgage the property of the District and to execute all instruments, contracts, mortgages, deeds or bonds on behalf of the District in such manner as the board shall direct.
- (5) To inquire into any matter relating to the affairs of the District, to compel by subpoena the attendance of witnesses and the production of books and papers material to any such inquiry, to administer oaths to witnesses and to examine such witnesses;
- (6) To appoint and fix the salaries and duties of such officers, experts, agents and employees as it deems necessary, to hold office during the pleasure of the board and upon such terms and conditions as the board may require;

- (7) To accept donations to the District of cash, lands or other property to be used in the furtherance of the purpose of this part;
- (8) To accept grants, loans, or other financial assistance from any federal, state, county or municipal agency, or other aid for the acquisition or improvement of any of the facilities of the District;
- (9) To establish schedules of tolls, fees, rates, charges, and rentals for the use of the properties and facilities under its jurisdiction, and for services which it may render;
- (10) To do all things necessary or convenient to carry out its function.

(b) Except as otherwise expressly provided in this part, the directors shall have full and exclusive control of and responsibility for the administration of properties and facilities constructed or acquired pursuant to this part; provided, however, that the District may lease or license lands or facilities under its jurisdiction for operation by private persons or corporations; provided further, however, that this subsection shall not be construed or authorize the directors to exercise such authority in a manner inconsistent with the statutes, regulations and procedures governing such manners in county government.

SECTION 18. Prohibition Of Disposal Of Waste By Certain Means -- Penalty. -- At such time as a sewer system is constructed by the District, it shall thereafter be unlawful for any person or corporation to use any method of disposing of human waste other than by the sewer system provided that the property of such person or corporation abuts on any street, alley, or right-of-way in which there is located a sewer line. Any person or corporation who violates the provisions of this section is guilty of a misdemeanor and upon conviction thereof, shall be punished by a fine of not less than two dollars (\$2.00) nor more than fifty dollars (\$50.00). Each day that the provisions of this section are violated shall constitute a separate offense.

SECTION 19. Severability. -- That if any part, clause, sentence, paragraph or section of this Act shall be held or declared to be unconstitutional or void, it shall not affect the remaining part or parts of this Act; it being hereby declared to be the legislative intent to have passed the remainder of the Act, now withstanding any part held to be invalid.

Passed: April 27, 1983.

Utility Districts - Historical Notes

Drainage and Levee Districts

The following acts once affected Obion County, or never received local approval.

1. Private Acts of 1923, Chapter 693, amended Public Acts of 1909, Chapter 185, which was the authority to create and regulate levee and drainage districts in order to reclaim lowlands in various Sectors of the State, to grant to the citizens of Obion County owning lands within any of those districts, at their option, to pay at any time the full amount, or any portion thereof, of the drainage assessments and taxes against the said lands, to the Trustee of the County in which the lands are located, less any amount which might be allowed as a discount. The Trustee was then given the task of placing these funds in a bank at no less than 4% interest and pay the drainage taxes as they became due.
2. Private Acts of 1985, Chapter 24, would have amended Chapter 905 of the Private Acts of 1921, regarding the Reelfoot Levee District. The amendments would have transferred the duties of the Chairman of the Lake County Court of an administrative nature to the County Executive of Lake County, and transferred judicial duties to the Circuit Court. This Act was approved by the county legislative body in Lake County, but was never acted upon by the county legislative body of Obion County as prescribed in the Act and never became effective.

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